

DCI Worldwide Briefing  
20 January 1983

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Status and Outlook for the Iran-Iraq War

Overview

Iraq continues to pursue diplomatic initiatives which could lead to a cease-fire in the Gulf; while Khomeini has turned aside all suggestions for a negotiated settlement. Iraq will be careful to calibrate any attacks against Iranian oil exports with its diplomatic initiatives. We expect the ground war, on the other hand, to remain stalemated at least through the winter.

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Iraqi Diplomatic Initiatives

Iraq will delay any dramatic escalation of its air strikes in the Gulf until current diplomatic initiatives have run their course. In mid January, Baghdad indicated that it would delay striking Iranian oil exports for several weeks to allow Japan to broker a deal with Iran. Iraq would agree not to bomb the huge Japanese-built petrochemical complex near the Iranian port at Bandar-e Khomeini if Japan can convince Iran to allow Iraqi oil exports through the Gulf. The Japanese doubt that Iran will agree; we share this view. We also think Iraq is willing to allow more than a few weeks for the Japanese effort to succeed.

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Iraq also is engaged in a diplomatic campaign to convince the West to curtailing arms supplies to Iran. Baghdad also wants Western oil companies not to purchase Iranian oil. Iraq hopes that, if both Iran's arms supplies and revenues are substantially curtailed, Tehran will be forced to end the war.

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In case these diplomatic initiatives are unsuccessful, Iraq also is arranging the construction of oil pipelines through Saudi Arabia and Jordan. If Iraq is able either to export oil through the Gulf or, more likely, to build pipelines through Saudi Arabia or Jordan, it will significantly alleviate its economic problems. If this effort were successful, we believe Baghdad would be unlikely to escalate its air attacks in the Gulf.

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### Iraqi Military Preparations

Should its diplomatic initiatives fail, Iraq recently has taken steps to strengthen its military capability to strike Iranian oil exports in the Gulf. During the past several weeks Iraq has increased its air and missile forces near the Persian Gulf.

Iraq moved some of its Super Etendard aircraft from northern Iraq to an airfield near the Gulf in mid January. In early January Baghdad made major personnel changes in its Army and Air Force to put more aggressive commanders in key positions. The military also has drafted operational directives for 1984 calling for increased attacks on Iranian oil production and export facilities.

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### Iranian Military Preparations

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Iran also recently has made moves which suggest it will step up air activity against Iraq. In late 1983 Iran appointed a new, more aggressive commander for its Air Force. Subsequently, Iranian aircraft have carried out two air raids on targets inside Iraqi, the first Iranian air raids inside Iraq in over a year. With only about 70 operational fighter aircraft remaining, however, Iran cannot afford heavy aircraft losses. Iraq has about 450 operational aircraft and is in a much better position to sustain major air losses.

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Iran also continues to seek equipment which could be used to close the Strait of Hormuz; including naval mines from Italy, maintenance help from Turkey for Iran's Harpoon antiship missiles, and Exocet antiship missiles through a private Austrian firm.

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There has been no major redeployment of Iranian air and naval units to the Strait of Hormuz. We believe that Iran has the capability to close the Strait of Hormuz if faced with opposition only from the Persian Gulf states, but could not keep the Strait closed against Western forces. Iran normally has one squadron of F-4 fighter aircraft, three destroyers, and four frigates at Bandar Abbas on the Strait. Iran has naval mines from North Korea and is capable of conducting sabotage, commando raids, or air attacks against Gulf oil facilities.

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### Outlook

The ground war likely will remain quiet until this spring, and, even then, Iran is unlikely to achieve a major breakthrough. Iraq simply has too great a margin of superiority in conventional military equipment. The Iraqis are trying to achieve their objectives--increased revenues and an end to the war--through diplomacy. Baghdad will calibrate its military moves to its assessment of the diplomatic situation. If it senses a deadlock in efforts to increase its oil exports either through the Gulf or through Saudi Arabia and Jordan then we believe Iraq will escalate its strikes in the Gulf.

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